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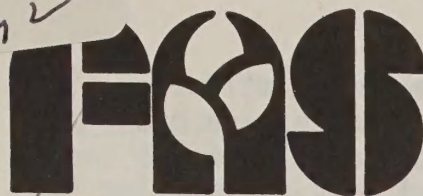
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Washington, D.C. 20250

WR 44-82



REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WASHINGTON, Nov. 3--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

Backed by heavy subsidies, GREEK durum sales to NORTH AFRICA picked up this week, as expected. Algeria purchased 125,000 metric tons and Tunisia took 45,000 tons (in addition to 40,000 from the United States). These are the first purchases from 1982 crop Greek durum, of which as much as 400,000 tons will be surplus for export. The amount sold this week represents a major share of North Africa's expected purchases of 1.8 million tons and constitutes significant damage to U.S. durum sales prospects, continuing a pattern that began last March.

In CANADA, West Coast longshoremen remain off the job and the work stoppage to date likely has resulted in a 200,000-ton reduction in grain exports. Shipments of about 2 million tons of wheat, a near-record level, had been anticipated for October. Negotiations have resumed, however, and early next week the Canadian Parliament is expected to pass an act forcing the longshoremen back to work. The work stoppage is not expected to last more than two weeks. Last season, Canadian grain exports were disrupted by a 12-day strike at Thunder Bay; however, the Canadians were still able to ship record levels of grain because of favorable conditions throughout the rest of the shipping season.

The ARGENTINE Grain Board opened wheat export registrations on September 20 for shipments after Nov. 1, 1982. Wheat registrations have been closed since December 1981. Thus far, trading has been slow. Exporters may be delaying action, hoping for more attractive profit margins. To date, favorable weather has led to expectations of a large crop, which could reduce domestic prices. The wheat crop is currently forecast at 10.5 million tons, and exports for 1982/83 (December-November) are expected to reach a record 6.3 million tons. Exporters also likely are waiting for some change in Argentine economic policies that would further devalue the peso, bring about a convergence of the two-tier exchange rate system and possibly lower export taxes.

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LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

Unfavorable weather in BRAZIL continues to damage the wheat crop, according to the U.S. agricultural officer in Rio de Janeiro. Excessive precipitation in Rio Grande do Sul, Brazil's largest wheat producing state, has sharply reduced yields, and the crop is now expected to total only 2.1 million tons, the lowest level since 1977. Further deterioration could occur if weather does not improve.

ECUADOR has eliminated the \$23 million annual direct subsidy payments for wheat imports in a move to increase foreign debt repayment capability and to decrease contraband wheat exports. Consumption of bread wheat is expected to drop moderately in the next month or so and then return to former levels as consumers adjust to higher prices. Wheat imports are expected to remain at the 26,250-ton monthly quota rate since import purchases until January have already been made.

Spot shortages of flour, bread and wheat have arisen due to small stocks and transportation strikes. Millers are pressuring the government for increased import quotas and permission to import soft wheat. At present only Hard Red Winter wheat is imported.

OILSEEDS AND PRODUCTS

In order to protect domestic producers, THAILAND recently announced import controls on several oilseeds and oilseed products, including soybeans, copra, soybean oil and palm oil. Imports must now be approved by the Department of Foreign Trade in the Ministry of Commerce. Permission will be granted to companies that have previously imported these products and use them as raw materials for manufacturing. Quota allocations will be designated for individual importers. Until these are completed, permission for temporary imports of soybean and palm oil will be granted on 30-day intervals. Quantities imported under the temporary system will be limited to the average monthly imports during July 1981-June 1982 and will be deducted from quota allocations of individual importers. Importers must also agree to purchase domestically produced palm oil or soybeans.

The GERMAN DEMOCRATIC REPUBLIC (GDR) harvested a good rapeseed crop in 1982--an estimated 312,000 tons, compared with 284,000 in 1981--according to the U.S. agricultural attache in Berlin. Most of the increase is attributed to favorable weather. Initial prospects for the 1983 crop are less than optimal at this early stage. As a result of a drought during mid-July through the end of August, soil moisture in the GDR was very low during and after rape seeding. The planted area for the 1983 crop is expected to be near last year's level of 131,000 hectares.

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Fishmeal production, exports and stocks in the FISHMEAL EXPORTERS' ORGANIZATION countries, which account for the bulk of world exportable supplies, all made significant gains during January-July 1982. Production of 1.17 million tons and exports of 794,400 tons were up 6 and 24 percent, respectively, over the same period in 1981.

Fishmeal prices (basis Europe) have declined to about \$320 per ton, 21 percent below a year ago and the lowest since April 1976. Despite reduced prices, fishmeal in Europe is now about 1.74 times the price of U.S. soybean meal, compared with a ratio of 1.58 in August 1982. This reflects the recent decline in soybean meal prices.

DAIRY, LIVESTOCK AND POULTRY

Because of increasing demand for beef in SOUTH KOREA, the Ministry of Agriculture and Fisheries has increased the 1982 beef import quota to 53,000 tons, carcass weight equivalent, from an earlier import level of 39,000 tons. Domestic production is expected to reach 92,000 tons in 1982. The government's campaign to switch consumer preferences from beef to pork and poultry apparently has not been successful to date.

On October 19, TAIWAN lifted its restrictions on imports of U.S. meats, offals and hides and skins from states with recent outbreaks of vesicular stomatitis (VS). Imports of animal products can now be made from any state. At the same time, Taiwan announced an immediate six-month ban on imports of all live animals from the United States, including cattle, deer, horses, sheep and swine. The ban includes all states, but will be waived for individuals who obtained import permits before October 19. However, the imported animals must be accompanied by a health certificate stating they have been tested by the neutralization test for VS and have had a negative result. The animals will also be subject to quarantine in Taiwan.

TOBACCO

KOREA's 1982 tobacco crop, now estimated at 108,787 tons, is 25 percent above the 1981 production level because of expanded area and an 18 percent increase in yields. Tobacco area of 42,757 hectares increased nearly 6 percent over last year. The drought in June and July failed to reduce production, but did lower leaf quality.

INDIA's 1982 tobacco crop of 470,000 tons was 3 percent above last year. Total tobacco area was 450,000 hectares, or 5 percent above 1981. Grower prices for flue-cured tobacco in one major producing area in 1982 were nearly 34 percent above those received in 1981.

India's unmanufactured tobacco exports in 1982 are expected to total roughly 78,000 tons, down 26 percent from 1981 because of reduced purchases by China and the predominance of inferior grades in the 1982 Karnataka crop. The Soviet Union continues to be the India's largest customer, taking 42,000 tons. The United Kingdom, purchasing 15,000 tons, is next. Recent reports indicate the USSR may expand purchases of Indian leaf to roughly 60,000 tons in 1983.

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After 2 years of decline, JAPAN's unmanufactured tobacco consumption is expected to increase slightly in 1982 to 214,050 tons from the 1981 level of 213,529 tons. Cigarette output, which accounts for more than 99 percent of all Japanese leaf use, increased to 307.5 billion pieces from the 1981 level of 306.6 billion.

Japanese stocks of imported leaf are now at about the 24-month level that the Japan Tobacco and Salt Public Corporation likes to maintain for proper aging. However, stocks of domestic leaf are still high--nearly three years' consumption. Recent cutbacks in tobacco planted area will help keep stock levels from increasing again, but the cutbacks are not large enough to reduce stocks significantly if yields are normal.

In CANADA, the 1982 tobacco crop of 79,047 tons is nearly 30 percent below last year's crop, while area declined 14 percent to 40,875 hectares. Frost on August 29 severely damaged the Ontario flue-cured crop. The 1982 production level virtually equals that of 1979, when blue mold damaged Ontario's flue-cured crop.

BRAZIL's 1982 tobacco crop is estimated at 372,000 tons, 18 percent above 1981. Total tobacco area in 1982 was 246,000 hectares, 3 percent above last year's total. Flue-cured tobacco production in southern Brazil was larger than initially expected, due to a 4-percent increase in area and favorable weather in major producing areas. The quality of the flue-cured crop is reportedly good.

Brazil's unmanufactured tobacco exports in 1982 are forecast at 153,000 tons, up 7 percent from the 1981 level. Exports from the southern crop are estimated at 125,000 tons. Reportedly, most of the 1982 crop for export has been sold and only 5,000-10,000 tons of export leaf may be carried over at the end of the year. Based on a projected 14-percent larger crop in 1983, exports from southern Brazil in 1983 could reach 150,000 tons and total exports may be 179,000 tons. Most of the increase would be of flue-cured and burley tobacco.

FRUITS AND NUTS

Commercial production of raisins by leading producers in the NORTHERN HEMISPHERE is currently forecast to decline to 322,400 tons in 1982, down 27 percent from last season and 22 percent below the 1976-80 average. Excellent moisture levels boosted yields in Turkey, which is now expected to harvest its largest crop since 1970. In contrast, rain during the drying period sharply lowered crop prospects in the United States and Greece. Raisin production data are as follows in tons (dried basis):

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	1976-80		
	Average	1981/82	1982/83*
Greece	74,140	98,100	70,400
Turkey	90,000	110,000	125,000
United States	248,770	232,240	127,000
Total	412,910	440,340	322,400

*Forecast.

In SPAIN, heavy rains October 19-20 substantially damaged fruits and vegetables in the Levant region. Initial citrus losses are estimated at 305,000 tons, valued at \$43 million, or approximately 10 percent of the Spanish crop. Harvesting of tangerines is already underway. Picking of navel oranges and lemons will follow in about mid-November. Reportedly, all new citrus plantings were wiped out, and many bearing trees were lost after several days under water. Damage for vegetables and other fruit crops may be in excess of \$12 million.

NORTHERN HEMISPHERE apple production for the 1982 season is now estimated at 14.2 million tons, up 3 percent from the 13.8 million tons reported Oct. 6, 1982 (WR-40-82), and 29 percent above the 1981 outturn. Larger-than-anticipated crops in West Germany (2.26 million tons against the 2.15 million-ton estimate of October 1) and Yugoslavia (667,000 tons compared with the October estimate of 440,000) were responsible for the upward revision.

The Northern Hemisphere's pear crop is now expected to top 3.7 million tons, 4 percent greater than the 3.6 million tons forecast in October, but 2 percent short of the 1981 level. Bumper crops in West Germany (479,500 tons) and Yugoslavia (169,000 tons) were not sufficient to offset losses caused by inclement weather in most of the other major producing countries.

Prune output by major commercial producers in the NORTHERN HEMISPHERE is expected to total 174,935 tons during the 1982 season, 9 percent below the bumper outturn of 1981, but 4 percent above the 1976-80 average. Preliminary estimates indicate France will have a record harvest, and Yugoslavia's crop will be largest since 1972. This will not, however, be sufficient to offset the short, rain-damaged U.S. crop. Prune production data are as follows in tons (dried basis):

	1976-80		
	Average	1981/82	1982/83*
France	19,310	28,660	32,000
Yugoslavia	14,611	18,800	25,000
United States	134,800	144,240	117,935
Total	168,721	191,700	174,935

*Forecast.

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After two consecutive weather-reduced harvests, SOUTH AFRICA is looking at extremely favorable prospects for its 1982/83 avocado crop. Production is estimated at a record 26,000 tons, reflecting a good fruit set, a 17-percent increase in bearing area and minimal losses from Phytophthora root rot. Given favorable growing conditions, output is expected to expand dramatically during the next five years as an additional 4,000 hectares come into production.

VEGETABLES

Commercial onion production in 1982 for SELECTED COUNTRIES totaled an estimated 8.57 million tons, 5 percent above last year. The United States and Japan registered the largest increases in production--23 and 18 percent, respectively. Harvested area increased 13 percent in the United States and 3 percent in Japan. For all selected countries, 1982 harvested area totaled 382,924 hectares, 1 percent above the previous year. Data are as follows in 1,000 tons:

Country	1981	1982
United States	1,589	1,953
Japan	1,042	1,230
Turkey	1,090	1,200
Spain	1,045	1,025
Netherlands	573	601
Mexico	513	450
Other*	2,269	2,107
Total	8,121	8,566

*Egypt, Brazil, Greece, Italy and Canada.

Commercial potato production for 1982 in SELECTED MAJOR PRODUCING COUNTRIES--representing roughly two-thirds of world output--is estimated at 179.2 million tons, 2 percent above 1981. The largest increase occurred in the USSR, where good summer weather caused production prospects to increase 15 percent above last year. Potato production in the United States was 3 percent above the 1981 level. Japan also had improved yields and production was up nearly 18 percent from last year's weather-reduced crop. The 1982 crop in Poland--hurt by dry summer weather--was nearly 18 percent below 1981. Production in the European Community, estimated at 32.7 million tons, continued the trend of decline that began in 1977. Data are as follow in 1,000 tons:

Country	1981	1982
USSR	72,000	83,000
Poland	42,562	35,000
European Community	33,636	32,701
United States	15,358	15,875
Japan	3,095	3,650
Canada	2,628	2,602
Other*	6,460	6,400
Total	175,739	179,228

*Includes Portugal and Spain.

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Garlic production in 1982 in four SELECTED COUNTRIES accounting for nearly half of world output is estimated at 1.03 million tons, virtually the same as last year. Spain and Korea had 25 percent and 21 percent gains, respectively, over 1981 production levels. An increase in area, combined with higher yields in both countries, led to the larger production in 1982.

The increases were offset by declines in Egypt and Thailand. Egypt's crop declined 7 percent from the previous year, mostly as a result of reduced plantings. Thailand's crop is estimated to be down 10 percent because of reduced area and lower yields.

The 1982 production estimates for each country, with 1981 estimates in parentheses, are as follows in 1,000 tons: Thailand 506 (562); Spain 191 (153); Republic of Korea 186 (154); and Egypt 151 (162).

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Selected International Prices

Item	November 2, 1982		Change from	A year
			previous week	ago
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	N.Q.
U.S. No. 2 DNS/NS: 14%....	174.75	4.75	+3.75	194.50
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	198.00
U.S. No. 2 S.R.W.....	146.00	3.97	+10.00	185.00
U.S. No. 3 H.A.D.....	173.00	4.71	+1.50	195.00
Canadian No. 1 A: Durum...	191.00	5.20	0	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	106.50	2.71	+6.00	126.00
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	139.00
Feed Barley 3/.....	N.Q.	--	--	144.00
Soybeans:				
U.S. No. 2 Yellow.....	221.00	6.01	+12.00	257.00
Brazil 47/48% SoyaPellets 4/	210.00	--	+10.00	N.Q.
U.S. 44% Soybean Meal.....	203.00	--	+12.00	229.50
U.S. FARM PRICES 5/				
Wheat.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	N.Q.	N.Q.	N.Q.
Corn.....	N.Q.	N.Q.	N.Q.	N.Q.
Sorghum.....	N.Q.	N.Q. 6/	N.Q.	N.Q.
Broilers 7/.....	900.14	--	-59.74	959.88
EC IMPORT LEVIES				
Wheat 8/.....	101.91	2.77	-4.47	70.80
Barley.....	103.80	2.26	+1.32	75.20
Corn.....	104.46	2.65	-3.84	96.60
Sorghum.....	99.81	2.54	-1.08	84.35
Broilers 9/.....	293.00	--	+12.00	245.00
EC INTERVENTION PRICES 10/				
Common wheat(feed quality)	171.75	4.67	-.38	182.25
Bread wheat.....	189.65	5.16	-.44	211.40
Barley and all				
other feed grains.....	171.75	--	-.38	182.25
Broilers 11/.....	1112.00	--	-13.00	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	75.00	2.04	-.05	57.24
Wheat flour.....	93.76	--	0	71.82
Barley.....	70.00	1.52	+.03	55.12
Broilers 9/.....	189.00	--	--	143.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70% whole chicken. 10/ Basically the intervention price is the EC farm price support, determined annually. 11/ F.o.b. price for whole broilers at West German border. N.Q.=Not quoted.

Note: Basis November delivery.

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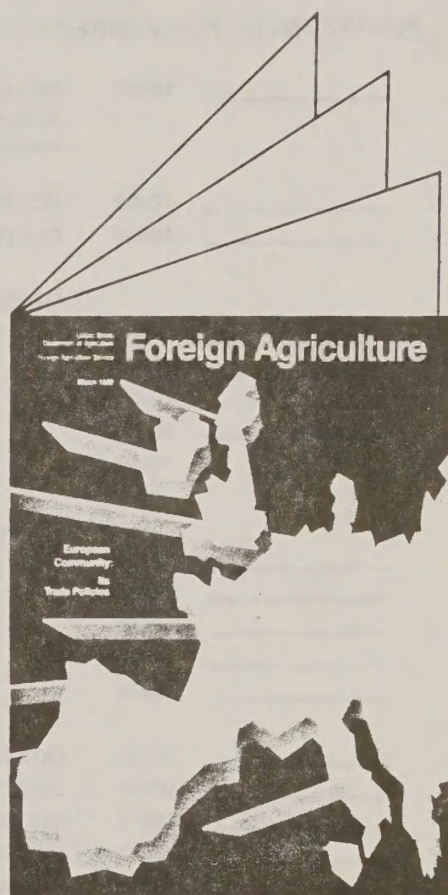
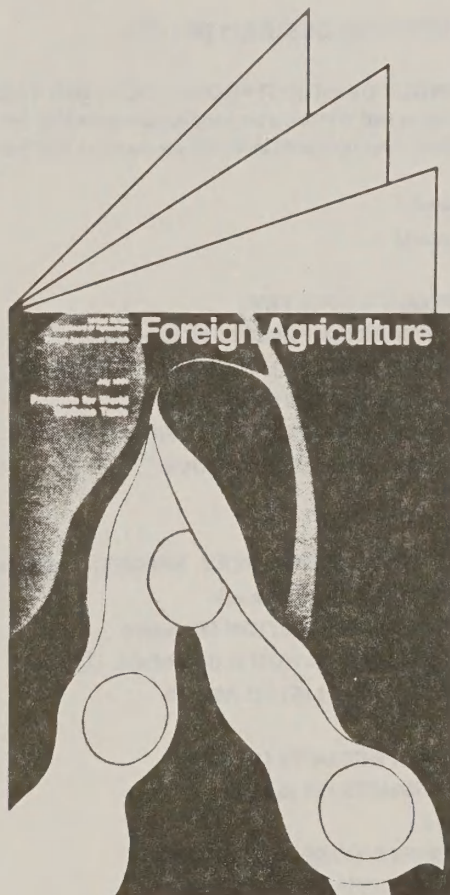
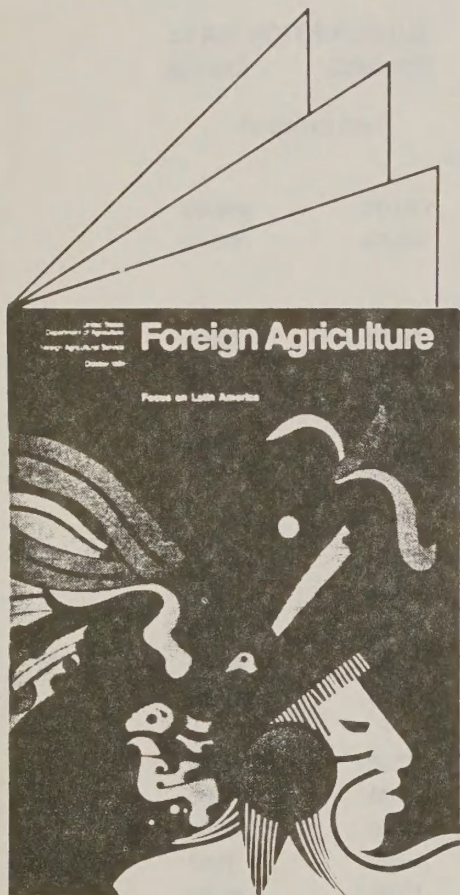
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